

HOUSING ELEMENT  
AND  
FAIR SHARE PLAN

NEPTUNE CITY BOROUGH  
MONMOUTH COUNTY

ADOPTED: November 24, 2008

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# **HOUSING ELEMENT**

**NEPTUNE CITY BOROUGH  
MONMOUTH COUNTY**

**NEPTUNE CITY BOROUGH, MONMOUTH COUNTY  
HOUSING ELEMENT**

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HOUSING ELEMENT**

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BOROUGH OF NEPTUNE CITY  
MONMOUTH COUNTY

HOUSING ELEMENT

PREFACE

The Borough of Neptune City was incorporated on October 4, 1881 and consists of approximately 576 acres within 0.90 square miles. Of this total, 523.7 acres or 90.9 percent of the city is developed. Residential development constitutes 53 percent of the total land area. Of this total, 78 percent are single-family homes, six percent are townhouse/condominiums, 13 percent are apartments and two percent are mobile homes.

Approximately 15 percent of land use is commercial and three percent is industrial. Neptune City is surrounded by Neptune Township on the north, south and west, by the Shark River on the south and by Avon-By-The-Sea Borough and Bradley Beach Borough to the east.

A municipality's Housing Element must be designed to achieve the goal of providing affordable housing to meet the total 1987-2018 affordable housing need comprised of targeted Growth Share, the Prior Round obligation and the Rehabilitation Share. The regulations of the Council on Affordable Housing (COAH), N.J.A.C. 5:97 et seq., delineate a municipality's strategy for addressing its present and prospective housing needs, and, as such, each municipality's Housing Element must contain the following:

1. An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics and type, including the number of units affordable to low and moderate income households and substandard housing capable of being rehabilitated;
2. A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing, for the 10 years subsequent to the adoption of the housing element, taking into account, but not necessarily limited to, construction permits issued, approvals for development and probable residential development of lands;
3. An analysis of the municipality's demographic characteristics, including, but not limited to, household size, income level and age;
4. An analysis of the existing and probable future employment characteristics of the municipality;
5. A determination of the municipality's present and prospective fair share for low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low and moderate income housing;

6. A consideration of the lands that are most appropriate for construction of low and moderate income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low and moderate income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing;
7. A map of all sites designated by the municipality for the production of low and moderate income housing and a listing of each site that includes its owner, acreage, lot and block;
8. The location and capacities of existing and proposed water and sewer lines and facilities relevant to the designated sites;
9. Copies of necessary applications for sewer service and water quality management plans submitted pursuant to Sections 201 and 208 of the Federal Clean Water Act, 33 U.S.C. §1251, et seq.;
10. A copy of the most recently adopted municipal master plan, and where required, the immediately preceding, adopted master plan;
11. For each designated site, a copy of the New Jersey Freshwater Wetlands map where available. When such maps are not available, municipalities shall provide appropriate copies of the National Wetlands Inventory maps provided by the U.S. Fish and Wildlife Service;
12. A copy of appropriate United States Geological Survey Topographic Quadrangles for designated sites; and
13. Any other documentation pertaining to the review of the municipal housing element as may be required by the Council.

## I. INVENTORY OF NEPTUNE CITY BOROUGH'S HOUSING STOCK

### A. Age

Approximately 48 percent of Neptune City Borough's housing stock was built between 1950 and 1969. Neptune City has a total housing stock of 2,342 units. The median year that a structure was built in Neptune City was 1959, according to the 2000 census.

**TABLE 1**  
**Age of Housing Units**

<b><u>Dates of Construction</u></b>	<b><u>Structures</u></b>	<b><u>Percent of Total</u></b>
1939 or earlier	305	.13
1940 – 1949	367	.16
1950 – 1959	532	.23
1960 – 1969	586	.25
1970 – 1979	297	.13
1980 – 1989	96	.04
1990 – 1994	97	.04
1995 – 1998	62	.03
1999 – March 2000	0	0
<b>TOTAL UNITS</b>	<b>2,342</b>	<b>1.01*</b>
Median Year Below 1940		

Source: 2000 Census of Population and Housing

\* Does not add up due to rounding

Units built before 1949 and contain 1.01 or more persons per room are highly correlated with substandard housing indicators. This is an index utilized by COAH in determining the Rehabilitation Share. In Neptune City Borough, 672 units or 28 percent of the housing stock was built before 1949. However, there was minimal overcrowding coupled with complete kitchen facilities. This is generally an important indicator in calculating Neptune City Borough's rehabilitation share and explains why Neptune City's rehabilitation share is nine units.

### B. Condition

Rehabilitation Share is the total deficient housing signaled by selected housing unit characteristics unique to each community. It is assumed that units so indicated will be prime candidates for rehabilitation. Characteristics indicating a need for rehabilitation are:

- (1) Persons per Room. 1.01 or more persons per room in housing units built 1949 or before. These are old units that are overcrowded.

- (2) Plumbing Facilities. Inadequate plumbing sufficient for rehabilitation is indicated by incomplete plumbing facilities, i.e., lack of hot and cold piped water, flush toilet or bathtub/shower.
- (3) Kitchen Facilities. Inadequate kitchen facilities signaling rehabilitation are indicated by the non-presence of kitchen facilities within the unit, or the non-presence of one of three components: a sink with piped water, a stove or a refrigerator.

These characteristics of deficient housing are nationally recognized indicators of housing inadequacy. Each one, properly identified and not double-counted or multiplied is enough to signal the call for unit rehabilitation. This is true not solely because the characteristic specified is itself debilitating but rather signals a unit that is either old or missing a basic component of normal housing services. These characteristics exist at the municipal level, are reported by the U.S. Census such that they can be isolated and not over counted, and individually indicate the need for structure rehabilitation.

The age of Neptune City's housing stock has been presented in Table 1. Tables 2 through 4 address the other surrogates of deficient housing.

**TABLE 2**  
**Persons Per Room**

<b>Persons Per Room</b>	<b>Occupied</b>	<b>Owner Occupied</b>	<b>Renter Occupied</b>
1.01 to 1.50	16	6	8
1.51 to 2.00	0	0	0
2.01 or more	0	0	0
<b>TOTAL</b>	<b>16</b>	<b>6</b>	<b>8</b>

Source: 2000 Census of Population and Housing

**TABLE 3**  
**Plumbing Facilities**

	<b><u>Total Units</u></b>
Complete plumbing facilities	2,334
Lacking complete plumbing facilities	8

Source: 2000 Census of Population and Housing

**TABLE 4**  
**Kitchen Facilities**

Complete kitchen facilities	2,342
Lacking complete kitchen facilities	0

Source: 2000 Census of Population and Housing

Based on the above, COAH has determined that Neptune City has nine housing units that are substandard and occupied by low and moderate-income households.

### **C. Purchase and Rental Value**

Approximately 56 percent of the owner-occupied housing units in Neptune City had values between \$100,000 and \$149,999. The median value was \$122,300.

**TABLE 5**  
**Owner-Occupied Housing**  
**Unit Values**

	<u>Units</u>	<u>Percent</u>
Less than \$15,000	0	0
\$15,000 - \$19,999	17	.01
\$20,000 - \$24,999	0	0
\$25,000 - \$29,999	0	0
\$30,000 - \$34,999	0	0
\$35,000 - \$39,999	15	.01
\$40,000 - \$49,999	0	0
\$50,000 - \$59,999	8	.01
\$60,000 - \$69,999	27	.02
\$70,000 - \$99,999	225	.17
\$100,000 - \$124,999	411	.31
\$125,000 - \$149,999	333	.25
\$150,000 - \$174,999	168	.13
\$175,000 - \$199,999	63	.05
\$200,000 - \$249,999	34	.03
\$250,000 - \$299,999	8	.01
\$300,000 - \$399,999	8	.01
\$400,000 or more	0	0
<b>TOTAL</b>	<b>\$1,317</b>	<b>1.01*</b>

Median Value                      \$122,300

Source: 2000 Census of Population and Housing

\* Does not add up due to rounding

Of the 895 rental units with cash rent in Neptune City, 617 were rented for between \$650 and \$999 per month. The median contract rent was \$680 per month.

**TABLE 6**  
**Contract Rent Values**

<b><u>With cash rent:</u></b>	<b><u>Units</u></b>
\$0 - \$ 99	10
\$100 - \$149	8
\$150 - \$199	41
\$200 - \$249	16
\$250 - \$299	18
\$300 - \$349	0
\$350 - \$399	34
\$400 - \$449	0
\$450 - \$499	22
\$500 - \$549	31
\$550 - \$599	9
\$600 - \$649	89
\$650 - \$699	287
\$700 - \$749	60
\$750 - \$999	270
\$1,000 or more	0
Total	895
No cash rent	9
Median contract rent	\$680

Source: 2000 U.S. Census of Population and Housing

#### **D. Occupancy Characteristics and Types**

Fifty-nine percent of the housing in Neptune City is owner occupied. Approximately 41 percent of the housing stock is rental.

**TABLE 7**  
**Tenure and Vacancy**

	<b>Housing Units</b>
Total Occupied	2,221
Occupied:	
Owner Occupied	1,317
Renter Occupied	904
Vacant:	121
For rent	14
For sale only	60
Rented or sold, not occupied	0
For seasonal, recreational, or occasional use	33
For migrant workers	0
Other vacant	14

Source: 2000 Census of Population and Housing

#### **E. Units Affordable to Low and Moderate Income Households**

Units are affordable to low and moderate income households if the maximum sales price or rent is set within a COAH specified formula. A moderate income household is a household whose gross family income is more than 50 percent of median income, but less than 80 percent of median income for households of the same size within the housing region. A low-income household is a household whose gross family income is equal to or less than 50 percent of median gross household income for a household of the same size within the housing region for Neptune City. Neptune City is in Region 4, which encompasses Mercer, Monmouth and Ocean counties.

Using current regional income limits adopted by COAH, a four-person Monmouth County median household income is estimated at \$84,566. A moderate-income four-person household would earn a maximum of \$67,653 (80 percent of regional median) and a four-person low-income household would earn a maximum of \$42,283 (50 percent of regional median).

Income levels for one, two, three and four person households as of 2008 are given below:

**TABLE 8**  
**2008 Low and Moderate Regional Incomes**

<b>Income</b>	<b>1 person</b>	<b>2 persons</b>	<b>3 persons</b>	<b>4 persons</b>
Median	\$59,196	\$67,653	\$76,109	\$84,566
Moderate	\$47,351	\$54,122	\$60,888	\$67,653
Low	\$29,598	\$33,826	\$38,055	\$42,283

Source: COAH, 2008 Income Limits

Based on the qualifying formula in N.J.A.C. 5:80-26, the monthly cost of shelter which includes mortgage (principal and interest), taxes, insurance and homeowners or condominium association fees, may not exceed 28 percent of gross monthly household income based on a five percent downpayment. In addition, moderate-income sales units must be available for at least three different prices and low-income sales units available for at least two different prices. The maximum sales prices must now be affordable to households earning no more than 70 percent of median income. The sales prices must average 55 percent of median income.

Under COAH regulations, rents including utilities, may not exceed 30 percent of gross monthly income. The average rent must now be affordable to households earning 52 percent of median income. The maximum rents must be affordable to households earning no more than 60 percent of median income. In averaging 52 percent, one rent may be established for a low-income unit and one rent for a moderate-income unit for each bedroom distribution. In addition, in inclusionary rental developments, 10 percent of the rental units must be affordable to households earning no more than 35 percent of median income. The utility allowance must be consistent with the utility allowance approved by HUD and utilized in New Jersey.

Neptune City currently has no low and moderate income housing units that are deed restricted and occupied by income eligible households.

Neptune City has four homes that were rehabilitated to code standard by the Monmouth County Home Improvement Program.

## **II. PROJECTION OF HOUSING STOCK**

### **A. Building Permits**

According to the New Jersey Department of Labor, Residential Building Permits Issued, 25 new residential building permits were issued in Neptune City between 1990 and 1999. There were 53 residential building permits issued between 2000 and August 2008.

### **B. Future Construction of Low and Moderate Income Housing**

Neptune City will address the future construction of low and moderate income housing in the Fair Share Plan.

## **III. DEMOGRAPHIC CHARACTERISTICS**

### **A. Population**

The population in Neptune City increased by four percent between 1990 and 2000. Table 9 illustrates the figures.

**TABLE 9**  
**Population**

<b>Year</b>	<b>Population</b>
1990	4,997
2000	5,218

Sources: 1990 and 2000 Census of Population and Housing

**TABLE 10**  
**Population Characteristics**

**SELECTED POPULATION CHARACTERISTICS**

The majority of Neptune City residents or 52 percent are between the ages of 25 and 59 years.

	<b><u>Number</u></b>	<b><u>Percentage</u></b>
<b><u>TOTAL POPULATION</u></b>	5,218	
<b><u>SEX</u></b>		
Male	2,412	.46
Female	2,806	.54
<b><u>AGE</u></b>		
	<b><u>Male</u></b>	<b><u>Female</u></b>
Under 5 years	151	142
5 to 17 years	437	417
18 to 20 years	27	62
21 to 24 years	125	86
25 to 44 years	802	844
45 to 54 years	351	444
55 to 59 years	120	133
60 to 64 years	80	104
65 to 74 years	170	254
75 to 84 years	114	213
85 years and over	35	107

Source: 2000 Census of Population and Housing

**B. Household Size and Type**

A household profile of Neptune City shows that there were 5,096 households with a total household population of 5,218 in 2000. The average number of persons per household was 2.29.

**TABLE 11**  
**Household Profile 2000**

	<b><u>Total Number</u></b>
Households	5,096
Population of households	5,218
Persons per household	2.29

Source: 2000 Census of Population and Housing

**TABLE 12**  
**Household Type and Relationship**

In family households:	4,038
householder:	1,341
Male	989
Female	352
Spouse	966
child:	1,401
Natural born/adopt	1,351
step	50
grandchild	77
other relatives	57
non-relatives	45
In non-family households:	1,058
householders living alone	739
householders not living alone	142
Non-relatives	177
In group quarters:	122
Institutionalized population	100
Non-institutionalized population	22

Source: 2000 Census of Population and Housing

**TABLE 13**  
**Type of Housing Units by Structure**

<b>Units in Structure</b>	<b>Total Units</b>
1, detached	1,332
1, attached	111
2	48
3 or 4	133
5 to 9	43
10 to 19	149
20 to 49	128
50 or more	321
Mobile home or trailer	79
Other	
<b>TOTAL</b>	<b>2,342</b>

Source: 2000 Census of Population and Housing

### **C. Income Level**

Approximately, 45 percent of the households in Neptune City earn between \$40,000 and \$99,999 according to the 2000 census with 13 percent earning \$200,000 or more.

**TABLE 14**  
**Household Income**

<b><u>Household Income</u></b>	<b><u>Number</u></b>	<b><u>Percent</u></b>
\$0 –9,999	146	.07
\$10,000-\$14,999	125	.06
\$15,000-\$19,999	124	.06
\$20,000-\$24,999	142	.06
\$25,000-\$29,999	100	.05
\$30,000-\$34,999	185	.08
\$35,000-\$39,999	163	.07
\$40,000-\$44,999	170	.08
\$45,000-\$49,999	218	.10
\$50,000-\$59,999	187	.08
\$60,000-\$99,999	423	.19
\$100,000-\$149,999	208	.09
\$150,000-\$199,999	17	.01
\$200,000 or more	14	.01
<b>TOTAL</b>	<b>2,222</b>	<b>1.01*</b>

Median Household Income \$43,451

Source: 2000 Census of Population and Housing

\*Does not add up due to rounding

#### **D. Age**

The age of the Neptune City population has been discussed under Section III, Demographic Characteristics, A. Population.

#### **E. Marital Status**

In 2000, there were more women than men over the age of 15 years in Neptune City. There were 33 more males that never married. There were significantly more widows than widowers and more divorced females than males.

**TABLE 15**  
**Sex by Marital Status - Persons 15 Years and over**

Marital Status	Total	Male	Female
Total	4,255	1,919	2,336
Never Married	1,163	598	565
Now Married	2,114	1,043	1,071
Widowed	498	94	404
Divorced	480	184	296

Source: 2000 Census of Population and Housing

#### **IV. EXISTING AND PROBABLE FUTURE EMPLOYMENT CHARACTERISTICS**

Of the 2,533 Neptune City residents employed in the civilian labor force, 65 percent are in educational, health and social service occupations or construction, manufacturing, wholesale trade, retail trade, transportation fields.

**TABLE 16**  
**Occupation**  
**Employed Persons 16 Years and Over**

	<b>Male</b>	<b>Female</b>	<b>Total</b>
Finance, insurance, real estate	110	45	155
Agriculture, construction, manufacturing, wholesale trade, retail trade, transportation	732	319	1,051
Information	74	92	166
Arts, entertainment, recreation, accommodation and food services	31	54	85
Professional, scientific and technical services	78	111	189
Educational, health and social services	102	482	584
Public administration	153	46	199
Other services	63	41	104
<b>Total</b>	<b>1,343</b>	<b>1,190</b>	<b>2,533</b>

Source: 2000 U.S. Census of Population and Housing

According to the New Jersey State Data Center, Neptune City had a covered employment number of 7,218 in 2006.

According to Neptune City, over the past year or two, employment has dropped slightly. It has not been a significant drop because Neptune City's largest commercial business (TFH) has increased sales and productions. The small "Mom and Pop" operations have been affected slightly by the economy, thereby reducing their work forces. With the current revitalization of the Shark River Plaza shopping center, new jobs may be added.

**TABLE 17**  
**Municipality by Industry**

NEPTUNE CITY	<b><u>AVG. UNITS</u></b>	<b><u>AVERAGE</u></b>
Construction	39	248
Manufacturing	12	294
Wholesale trade	16	339
Retail trade	51	591
Transportation and warehousing information	9	277
Finance and insurance	6	35
Real estate and rental and leasing	10	54
Professional and technical services	24	171
Management of companies and enterprises		
Administrative and waste services	14	153
Educational services		
Health care and social assistance	44	1,481
Arts, entertainment, and recreation		
Accommodation and food services	23	493
Other services, except public administration	31	297
Unclassified entities		
PRIVATE SECTOR MUNICIPALITY TOTAL	289	6,205
LOCAL GOVT MUNICIPALITY TOTAL	4	155

Source: NJ DOL Employment and Wage Data - 2003

## **V. TOTAL OBLIGATION FOR REHABILITATION AND PRIOR ROUND**

### **A. REHABILITATION SHARE**

Neptune City has a nine unit rehabilitation obligation.

### **B. PRIOR ROUND OBLIGATION**

Neptune City's Prior Round obligation is 33 units.

## **VI. GROWTH SHARE**

Neptune City Borough accepts the nine-unit rehabilitation obligation.

Neptune City Borough accepts the household and employment projections in Appendix F of COAH's rules. COAH projected 63 new households and 321 new jobs between 2004 and 2018 that results in a growth share obligation of 33 units.

## **VII. ANALYSIS OF EXISTING AND FUTURE ZONING TO ACCOMMODATE GROWTH PROJECTIONS**

Neptune believes that with the redevelopment area, there is sufficient zoning to accommodate growth projections.

- A. Availability of Existing and Planned Infrastructure: Potable water is supplied through the New Jersey American Water Company. There is sufficient potable water. The borough is serviced by the Neptune Township Sewerage Authority, located in Neptune Township. There is sufficient capacity. Neptune City does not expect future growth to exceed the capacity of the borough to provide essential infrastructure.
- B. Anticipated Demand for Types of Uses Permitted by Zoning Based on Present and Anticipated Future Demographic Characteristics: The scale of future development in the borough will be restricted to the limited amount of vacant, developable land and the redevelopment of existing parcels. Neptune City is proposing redevelopment that will include a mix of land uses including affordable housing. The types of uses proposed will consider future demographic characteristics.
- C. Anticipated Land Use Patterns: There are only a few undeveloped tracts within the borough, including oversized lots with subdivision potential. There are eight major land use categories within the borough: residential, commercial, industrial, public, quasi-public, streets, vacant lands and redevelopment. Neptune City Borough anticipated an area in need of redevelopment and is preparing a redevelopment zone that will also contain affordable housing.

- D. Economic Development Policies: The borough is concerned over the maintenance of its economic vitality. The Neptune City Shopping Center has been refurbished and appears to be a viable operation for the foreseeable future. TFH Publications is a major factor in economic stability because the tax revenue received from these properties represents a benefit to the borough compared to the minimal municipal services required. Home offices and smaller scale businesses have been started in the borough and Neptune City will be recognizing and supporting these businesses in future land use decisions. Finally, redevelopment is the major economic activity of the borough.
- E. Constraints on Development:
1. State and federal regulations: The borough is located within the New Jersey Coastal Management Area which is regulated by the New Jersey Department of Environmental Protection in accordance with the Coastal Area Facilities Review Act (CAFRA).
  2. Land ownership patterns: Approximately 59 percent of the housing stock is owner-occupied and 41 percent is rental housing. Approximately 5.4 percent of the borough area is classified as recreation or conservation areas but, in actuality, existing parks and recreation sites total 12.91 acres or two percent of the total land area of the borough.
  3. Incompatible land uses: In the area between Steiner Avenue and Memorial Drive, the industrial use has not been compatible with the adjacent residential uses. This area will be included in a redevelopment plan.
  4. Sites needing remediation: Brownfields remediation is necessary for redevelopment.
  5. Environmental Constraints: As indicated above, Neptune City Borough is under the jurisdiction of CAFRA and has been designated a Coastal Town. As a result, there is a 70 percent impervious cover percentage in Neptune City. In addition, significant areas of the borough were designated Critical Environmental Sites (CES) in the State Plan. The environmentally sensitive planning area is located along the Shark River. There are extensive areas of brackish waters and wetlands, which prohibit further development along the Shark River, which discharges into the Atlantic Ocean. Areas of other concern in the borough include the upland wetland areas, wooded areas in locations of steep slopes or sensitive drainage areas and ECRA (contaminated) sites.
  6. Existing or Planned Measures to Address Any Constraints: Neptune City Borough just completed Phase One for 13/1, the former East Coast Ice site. In addition Neptune City is working with the Monmouth County Planning Board to develop access to the redevelopment area off Memorial Drive and to install a traffic light at Evergreen and Memorial Drive. Currently, Neptune City is mapping and preparing ordinances to comply with the state wastewater management rules.

Finally, the borough is working with the Shark River Environmental Commission on issues facing the river.

# **FAIR SHARE PLAN**

Neptune City Borough  
Monmouth County

## **I. PREFACE**

A municipality's affordable housing obligation is cumulative, and includes affordable housing need for the period 1987 to 2018. The affordable housing obligation consists of three components:

- Rehabilitation Share (2000)
- Prior Round Obligation (1987-1999)
- Growth Share (2000-2018)

A municipality's Rehabilitation Share is a measure of old, crowded, deficient housing that is occupied by low- and moderate-income households. Rehabilitation Share numbers from each prior round are replaced with the latest round number because the numbers are updated with each decennial census.

A municipality may receive credit for rehabilitation of low- and moderate-income deficient housing units completed after April 1, 2000 provided the units were rehabilitated up to the applicable code standard, the capital cost spent on rehabilitating a unit was at least \$10,000 and the units have the appropriate controls on affordability to ensure the unit remains affordable during the required period of time.

Rehabilitation credits cannot exceed the Rehabilitation Share and can only be credited against the rehabilitation component, not the new construction component.

The prior round obligation is the municipal new construction obligation from 1987 to 1999. All municipalities participating in the COAH process must use these figures. COAH continues to offer credits, reductions, and adjustments that may be applied against the Prior Round obligation (1987-1999) for affordable housing activity undertaken from 1980 to 1999.

## **II. REHABILITATION SHARE**

The purpose of a rehabilitation program is to renovate deficient housing units. Deficient housing units are defined as units with health and safety code violations that require the repair or replacement of a major system. A major system includes weatherization, roofing, plumbing, (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement and/or load bearing structural systems. Upon rehabilitation, the housing deficiencies must be corrected and the unit must comply with the applicable code standard.

A municipality must demonstrate that it has the capability to administer a rehabilitation program by either designating an experienced employee to administer the program or entering into an agreement with a governmental agency or private consultant to administer all or some of the program. A municipality must provide the consultant or municipal employee's credentials to administer the program as well as a procedures manual.

Rental units cannot be excluded from a municipal rehabilitation program. There must be at least 10-year affordability controls placed on both owner-occupied units and rental units. For owner-occupied units, these controls may be in the form of a lien filed with the appropriate property's deed. For rental units, the controls must be in the form of a deed restriction and may also include a lien. Units rehabilitated after April 1, 2000 are eligible for credits against the Rehabilitation Share.

The municipal investment for the rehabilitation of a unit must be at least \$10,000 per unit. Documentation must also be submitted demonstrating adequate funding source(s) and a resolution of intent to bond in the event there is a shortfall of funds.

A municipality is also required to prepare and submit a rehabilitation manual to COAH that summarizes the administration of the rehabilitation program including an affirmative marketing plan. The affirmative marketing program must clearly describe the outreach efforts to be used in implementing the program. COAH expects that a combination of media approaches – cable television, radio and print – plus appropriate mailing to residents, local civic, social and religious groups will be included in the marketing program.

**Neptune's Rehabilitation Share is nine units.**

Neptune City has completed four units to date and intends to continue with the Monmouth County Rehabilitation Program until the remaining five units are completed. Neptune City anticipates one completed rehabilitation per year over the next five years.

### **III. PRIOR ROUND OBLIGATION**

COAH has determined that Neptune City Borough's Prior Round obligation is 33 units.

With a Rehabilitation Share of nine units, Neptune City Borough has a pre-credited need of 42 units.

#### **A. Rental Obligation and Rental Bonuses**

The rental component is calculated as follows:

.25 (pre-credited need-prior cycle credits-rehabilitation component)

.25 (42-9)

.25 (33) = 9

Therefore, Neptune City Borough has a rental obligation of nine units.

The maximum number of units for which a municipality may receive rental bonuses is also calculated in the formula above. One bonus is granted for family rental units and a 0.33 bonus is granted for age-restricted units.

## **B. Maximum Age-restricted Units.**

A municipality may receive credit for age-restricted units according to the following formula:

.25 (pre-credited need-prior cycle credits-rehabilitation credits)

.25 (42-4)

.25 (38) = 9.5

Based on this formula, Neptune City Borough is eligible to age-restrict nine units for COAH credit.

## **C. Implementation**

Neptune City proposes to address its prior round obligation within a redevelopment zone known as the Steiner Avenue Redevelopment Plan.

The redevelopment site is approximately 17+/- acres located in a block bounded on the east by Memorial Drive and along Steiner Avenue to the west. The site is on the eastern border of the Borough of Neptune City, in an older industrial area. The site contains 35 properties.

The site is located approximately six blocks (1/2 +/- mile) to the Atlantic Ocean and “The Jersey Shore”, at Bradley Beach and Avon by the Sea. The site is located approximately six blocks (1/2 +/- mile) from the Shark River Inlet, one of the few inlets to the Atlantic Ocean on the New Jersey coast.

The site is only two blocks (1/4 +/- mile) to the Bradley Beach, New Jersey Transit Train Station, with service to central/northern New Jersey, Manhattan, Wall Street and all points serviced by Amtrak and NJ Transit.

The selected developer will acquire all the property needed to plan, approve and build a “Transit Village at the Jersey Shore” as desired by Neptune City. The Transit Village at the Jersey Shore will be a mixed-use project, comprised of various residential unit types and a retail component.

Any properties that cannot be easily acquired by the developer will be assisted by the borough. Neptune City will work along with the developer to have the property acquired through condemnation in the spirit of the redevelopment. The project is proposed to be developed at a density of 10-20 +/- units per acre, of low rise multifamily and small lot single family homes.

Brownfield remediation will be required for either some portion of the site or the entire site. The borough will work along with the state and the developer to obtain state and federal funds for the brownfield remediation. The borough's prior round obligation as well as the growth share obligation will also be required to be met as part of the project approvals. The developer will be responsible for all the approvals, infrastructure and off-site improvements for the entire project including the retail portion.

As stated, the selected developer will address Neptune City's 1987-2018 affordable housing obligation. The obligation will be met through affordable family rental housing.

Neptune City Borough adopted the Steiner Avenue Redevelopment Plan on December 16, 2006. Thereafter, Park Steel filed an action challenging the Borough's determination as well as TSS, Raymond and Linda Schmalzigon, Omega Service Maintenance Corporation and 65 Steiner Avenue, LLC. However, the Borough settled the Omega suit and the remaining three suits were consolidated into the Park Steel docket. At some point, TSS and Raymond and Linda Schmalzigon entered into settlement agreements leaving Park Steel and 65 Steiner Avenue, LLC as Plaintiffs.

Although neither the Park Steel property nor the 65 Steiner Avenue property was included in the redevelopment plan, the Plaintiffs sued to ensure that their property would not be part of the area in need of redevelopment.

On May 7, 2008, the Superior Court determined that it could not uphold the Borough's designation of an area in need of redevelopment. On July 22, 2008, Neptune City requested that the court reconsider its Order of July 22, 2008 solely in regard to one site, the Ice House property. The Court denied the Borough's motion for reconsideration.

As a result, Neptune City Borough will prepare a new Redevelopment Plan for the area that will also include the affordable housing obligation for both the Prior Round and the Growth Share obligation.

## **Planning Area**

Neptune City is in Planning Area (PA) 1 of the State Development and Redevelopment Plan that was adopted on March 1, 2001. PA 1 is described as providing much of the state's future redevelopment; revitalizing cities and towns; promoting growth in compact form; stabilizing older suburbs; redesigning areas of sprawl and protecting the character of existing stable communities.

Center designation for a site in PA 1 is not a COAH requirement for inclusionary development.

## **Water and Sewer Service**

Potable water is supplied through the New Jersey American Water Company. At present, the water source is located off-site and is distributed through the borough.

Neptune City is serviced by the Neptune Township Sewerage Authority, Regional Sewage Authority, located in Neptune Township. The borough sends (untreated) raw sewerage directly to the treatment plan.

#### **IV. GROWTH SHARE OBLIGATION**

The Fair Share Plan includes the projects and strategies to address an affordable housing obligation and any municipal ordinance in draft form that a municipality is required to adopt as a requirement of certification. The Fair Share Plan is based upon the municipal fair share obligation developed by COAH. The planning board adopts the Fair Share Plan and it is endorsed by the governing body prior to the petition for substantive certification. The proposed implementing ordinances may be adopted prior to substantive certification but in any event must be adopted no later than 45 days after COAH grants substantive certification.

The Fair Share Plan consists of a proposal on how a municipality intends to provide for its affordable housing obligation. Once certified, the plan will be monitored by COAH to verify that the construction or provision of affordable housing is in proportion to the actual residential growth and employment growth.

COAH rules have a number of different provisions regulating the development of affordable housing. The options available to meet the 2000-2018 fair share obligation include:

- Municipal zoning
  - Zoning for inclusionary developments
  - Redevelopment districts/sites
- Municipally sponsored new construction and 100 percent affordable developments
- Alternative living arrangements
  - Permanent supportive housing
  - Group homes
  - Congregate housing
  - Residential health care facilities
- Accessory apartments
- Buy-down program of for-sale market-rate units
- Municipally sponsored rental program
- Assisted living residences
- Affordable housing partnership program
- Expanded crediting opportunities
- Extension of affordable units with expiring controls
- Age-restricted housing
- Rental housing with bonus credits
- Very low-income housing with bonus credit

##### **A. Obligation**

As mentioned previously, Neptune City Borough will address its prior round obligation of 33 units and its projected growth share obligation in the redevelopment zone.